

UMATILLA BASIN PROJECT COMPLETION ACT

SEPTEMBER 28, 1996.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. YOUNG of Alaska, from the Committee on Resources,
submitted the following

R E P O R T

together with

DISSENTING VIEWS

[To accompany H.R. 2392]

[Including cost estimate of the Congressional Budget Office]

The Committee on Resources, to whom was referred the bill (H.R. 2392) to amend the Umatilla Basin Project Act to establish boundaries for irrigation districts within the Umatilla Basin, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Umatilla Basin Project Completion Act”.

SEC. 2. AUTHORITY TO COMPLETE THIRD PHASE OF UMATILLA BASIN PROJECT.

The Umatilla Basin Project Act (102 Stat. 2791) is amended by adding at the end the following new sections:

“SEC. 215. UMATILLA BASIN PROJECT PHASE III EXCHANGE.

“(a) AUTHORIZATION OF PROJECT CONSTRUCTION.—(1) Effective upon the boundary adjustments under section 216(a), the Secretary is authorized to construct a third and final phase of the Umatilla Basin Project to provide additional flows in the Umatilla River for anadromous fish through a water exchange with Westland Irrigation District.

“(2) Prior to construction, the Secretary shall complete a feasibility study to identify alternatives to provide Westland Irrigation District and other Umatilla River Basin water users with exchange flows of approximately 220 cubic feet per second

to restore the Umatilla River fishery, as determined through analysis in a feasibility study under paragraph (3).

“(3)(A) The feasibility study for the Phase III exchange facilities shall examine engineering, environmental, and economic factors associated with project alternatives, including but not limited to: technical engineering and hydrologic analyses pertinent to the identification and design of alternatives; biological analyses of instream flow levels to optimize anadromous fish restoration; and assessment of the best biological value per unit expenditure among the alternatives.

“(B) The feasibility study shall also include an analysis of inclusion of other irrigators in the exchange; consolidation of irrigation delivery facilities; potential for voluntary water transfers; optimization of water delivery scheduling for all four irrigation districts; appropriate backup systems; water conservation opportunities; and such other analyses as the Secretary may consider appropriate to improve the exchange project for fishery restoration purposes.

“(4) Prior to completion of Phase III facilities, the Secretary shall negotiate and execute an exchange agreement with the Westland Irrigation District to allow the use of Columbia River water in exchange for an equivalent amount of Umatilla River or McKay Reservoir water. Additional exchange agreements with other water users may be executed either before or after the completion of Phase III. The exchange agreement shall incorporate water delivery scheduling optimization, conservation, water transfer, and other technical operational measures recommended in the feasibility study.

“(b) OPERATION AND MAINTENANCE COSTS.—All exchange system operation and maintenance costs and any increased operation and maintenance costs to the project caused by the Phase III exchange shall be the responsibility of the Federal Government and shall be nonreimbursable.

“(c) POWER FOR PROJECT PUMPING.—The Administrator of the Bonneville Power Administration (hereinafter in this subsection referred to as the ‘Administrator’), consistent with provisions of the Columbia River Basin Fish and Wildlife Program established pursuant to the Pacific Northwest Electric Power Planning and Conservation Act (94 Stat. 2697), shall provide for project power needed to effect the Phase III water exchange for purposes of mitigating anadromous fishery impacts. The cost of power shall be calculated as an offset to the Administrator’s annual Treasury payments for operation and maintenance of the Federal Columbia River Power System.

“(d) INTEGRATION AND COORDINATION OF FACILITIES.—Project facilities authorized by sections 215 through 219 shall be integrated and coordinated into the existing Umatilla Basin Project.

“SEC. 216. UMATILLA BASIN IRRIGATION DISTRICTS BOUNDARY ADJUSTMENT.

“(a) IN GENERAL.—(1) Effective upon completion of environmental reviews and approval by the Secretary, the boundaries of the Umatilla Basin Project irrigation districts are adjusted by operation of law as follows:

“(A) Hermiston Irrigation District’s boundaries are adjusted to include the 1,091 acres identified in its 1993 request to the Bureau of Reclamation.

“(B) Stanfield Irrigation District’s boundaries are adjusted to include the 3,549 acres identified in its 1993 request to the Bureau of Reclamation.

“(C) West Extension Irrigation District’s boundaries are adjusted to include the 2,436.8 acres identified in the June 1993 Bureau of Reclamation Land Classification Report as irrigable.

“(D) Westland Irrigation District’s boundaries are adjusted to include the 9,912 acres identified in its 1993 request to the Bureau of Reclamation.

“(2) The Secretary shall complete environmental reviews pursuant to this subsection no later than 6 months after the date of enactment of the Umatilla Basin Project Completion Act and at no cost to the Umatilla Basin Project irrigation districts.

“(b) PROVISION OF MCKAY RESERVOIR WATER FOR ENVIRONMENTAL ENHANCEMENT.—(1) After the boundary adjustments under subsection (a), the Umatilla Basin Project irrigation districts shall provide water for environmental enhancement from McKay Reservoir to the Secretary in accordance with Option A or Option B, as specified by the Secretary.

“(2)(A)(i) Under Option A, the irrigation districts shall provide storage capacity from McKay Reservoir for environmental enhancement purposes each year equal the applicable amount stated in clause (ii), or the corresponding percentage of fill as determined by the Bureau of Reclamation, whichever is less.

“(ii) The applicable amounts referred to in clause (i) are the following:

“(I) In 1997, 6,500 acre feet.

“(II) In 1998, 5,500 acre feet.

“(III) In 1999, 4,500 acre feet.

“(IV) In 2000, 3,500 acre feet.

“(V) In 2001, 3,000 acre feet.

“(VI) In 2002, 3,000 acre feet.

“(B) Under Option B, the irrigation districts shall provide storage capacity from McKay Reservoir for environmental enhancement purposes, equal to 6,500 acre feet of water or the corresponding percentage of fill as determined by the Bureau of Reclamation, whichever is less, in each calendar year beginning in 1997 and ending in the year 2002: *Provided*, That the Secretary grant \$300,000 by March 1st of each calendar year 1997 through 2002 to the Westland Irrigation District of the Umatilla Project for water district improvements or other uses deemed appropriate by the District: *Provided* further, if the Secretary fails to grant the \$300,000 by March 1st in any calendar year between 1997 and 2002 for purposes of this subsection the District is not required to provide any water for that calendar year.

“(C) Not later than 9 months after the date of enactment of the Umatilla Basin Project Completion Act, the Secretary shall specify Option A or Option B and notify the Umatilla Basin Project irrigation districts of that specification.

“(c) REQUIREMENTS FOR RECEIVING PROJECT WATER.—Notwithstanding any other provision of this title, no parcel may receive Umatilla Basin Project water unless it has a valid State water right and is classified as irrigable in the Bureau of Reclamation’s Land Classification Report.

“(d) PROVISION OF DESCRIPTION OF BOUNDARIES.—A legal description of the irrigation district boundaries as adjusted under subsection (a), including land classification and project boundary maps, shall be provided as an attachment to all 4 Umatilla Basin Project irrigation districts’ existing contracts.

“(e) LIMITATION ON ALTERING ABILITY TO PAY DETERMINATION.—No alteration in the ability to pay determination for the Umatilla Basin Project irrigation districts may be made as a result of the irrigation district boundary adjustments made by subsection (a).

“SEC. 217. WATER PROTECTION AND MANAGEMENT.

“The Secretary, in cooperation with the Confederated Tribes of the Umatilla Indian Reservation (hereinafter in this section referred to as the ‘Tribes’), shall initiate discussions with the State of Oregon (hereinafter in this section referred to as the ‘State’) regarding the Tribes’ water claims and other water needs in the Umatilla River Basin. To facilitate these discussions of water claims, the Secretary shall do the following:

“(1) The Secretary, taking into account the facilities and analyses authorized by sections 215 through 219, shall work with the State, the Tribes, irrigation districts, the Bonneville Power Administration, and the affected public to develop a water management plan for the Umatilla River Basin. The plan shall address restoration of the Umatilla River Basin anadromous fishery. The Secretary shall also develop an integrated ground water/surface water model of the Upper Umatilla River Basin.

“(2) Within 2 years after the date of enactment of the Umatilla Basin Project Completion Act, the Secretary shall report to the Committee on Energy and Natural Resources of the Senate and the Committee on Resources of the House of Representatives on the progress of—

“(A) the facilities authorized by sections 215 through 219 of this title;

“(B) the water management plan;

“(C) the ground water/surface water model; and

“(D) the status of discussions of tribal water claims in the Umatilla River Basin.

“SEC. 218. JOINT WATER SUPPLY SYSTEM.

“Effective upon the boundary adjustments under section 216(a), the Secretary is authorized to contract with the Tribes for the construction of a portion of an off-stream storage reservoir of approximately 10,000 acre-feet capacity, with associated works. Such authorization shall not include water treatment facilities. Such reservoir is to be located on or adjacent to the Tribes’ reservation in Oregon: *Provided*, That:

“(1) The Secretary can demonstrate through appropriate feasibility level planning and environmental studies that the facility can be built in a manner which conforms to all applicable Federal, State, and Tribal laws and that the project siting and construction minimizes any adverse effects on the Umatilla River fishery.

“(2) Diversions for storage will not reduce Umatilla River flows below the levels necessary to restore and support the Umatilla River anadromous fishery. In diverting water for storage and operation of the reservoir, the Tribes and the

city of Pendleton (hereinafter in this section referred to as the ‘City’) may agree to higher levels of protection of instream flows. The reservoir shall be filled only during periods of high flow, and in such a manner as to preserve the ecological value of high flow events in the Umatilla River, as determined by Federal, State, and tribal fishery experts.

“(3) The City agrees to provide up to \$16,000,000 (in addition to the \$6,500,000 authorized by section 219(4)) for the tribal share of feasibility level planning and environmental studies and to construct the reservoir and associated works provided for by this title. Any cost overruns beyond the \$22,500,000 estimated for the reservoir and associated works authorized by this section and section 219(4) shall be allocated 70 percent to the City and 30 percent to the Tribes, unless they mutually agree otherwise.

“(4) The City, subject to applicable Federal, State, and tribal laws, shall use all of its water rights to the Umatilla River and its tributaries with priority dates after January 1, 1910, including those rights identified in Oregon Regulatory Statute 538.450, for instream flow purposes to improve the Umatilla River anadromous fishery, provided that adequate water from the reservoir project is available for municipal use.

“(5) The City and the Tribes will share all operation and maintenance costs on a pro rata basis, determined by the amount of water in the reservoir reserved for each government’s use, unless the City and the Tribes mutually agree to an alternative cost allocation.

“(6) Title to the reservoir facility will be held jointly in the name of the City and the United States, in trust for the Tribes. The Secretary may negotiate a contract transferring operation and maintenance responsibility to either the Tribes or the City, pursuant to all applicable State, Federal, and tribal law.

“(7) The Secretary may direct that funds authorized under this section be contracted to the Tribes, under the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.).

“SEC. 219. AUTHORIZATION OF APPROPRIATIONS.

“Effective upon the boundary adjustments under section 216(a), there are authorized to be appropriated to the Secretary, plus or minus such amounts as may be justified by reason of ordinary fluctuations of applicable cost indexes, the following sums, without fiscal year limitation:

“(1) Not to exceed \$64,000,000 for feasibility studies, environmental studies, and construction of the Phase III Exchange: *Provided*, That all costs of Phase III planning and construction, including operation and maintenance costs allocated to the mitigation of anadromous fish species and the study authorized by section 215 of this Act, shall be nonreimbursable: *Provided further*, That not more than 25 percent of the amount appropriated under this paragraph may be expended for administrative overhead costs.

“(2) Not to exceed \$500,000 for tribal water claims discussions, a water management plan, and an integrated ground water/surface water model, as provided for in section 217(a).

“(3) Not to exceed \$400,000 annually for enforcement and protection of Phases I, II, and III exchange water for instream uses.

“(4) Not to exceed \$6,500,000 for feasibility studies, environmental studies, and construction of the Tribes’ portion of an off-stream storage reservoir and associated works, as authorized in section 218 of this title.”.

SEC. 3. WATER RIGHTS.

In relation to the Umatilla Basin Project, nothing in this Act shall—

(1) impair the validity of or preempt any provision of State law with respect to water or water rights, or of any interstate compact governing water or water rights;

(2) create a right to the diversion or use of water, other than—

(A) as established pursuant to the substantive and procedural requirements of State law; and

(B) as recognized under State law;

(3) impair any valid water right;

(4) establish or create any water rights for any party; or

(5) be construed to create directly or indirectly an express or implied Federal reserved water right for any purpose.

SEC. 4. SENSE OF THE CONGRESS.

It is the sense and expectation of the Congress that construction and operation of Phase III, the perpetual operation of the integrated Umatilla Basin Project, and the construction and operation of the Joint Water Supply System, as authorized in

section 218 of the Umatilla Basin Project Act, will fulfill obligations of the Federal Government to provide the Confederated Tribes of the Umatilla Indian Reservation with water for fishery purposes in the Umatilla River below the mouth of McKay Creek, as recognized by their 1855 treaty with the United States.

PURPOSE OF THE BILL

The purposes of H.R. 2392 are to establish boundaries for irrigation districts within the Umatilla Basin, to authorize Phase III of the Umatilla Basin Project, and to provide water for environmental enhancement in the Umatilla River.

BACKGROUND AND NEED FOR LEGISLATION

The Umatilla Project is comprised of four divisions, and provides irrigation benefits to more than 34,000 acres of land. Principal crops are alfalfa hay and pasture; other crops grown are grain, mint, and vegetables. Both the McKay and Cold Springs Reservoir areas are national wildlife refuges used by waterfowl. Construction of the Project was approved in 1923. The Stanfield and Westland Irrigation Districts operate their own facilities. The East Division has been operated by the Hermiston Irrigation District since June 23, 1926, and the West Division by the West Extension Irrigation District since April 27, 1926.

The Umatilla Project Act of 1988 provided for mitigation of anadromous fishery resources and continued water service to lands of the four Project irrigation districts. The Act also authorized the Secretary of the Interior to modify the boundaries of the irrigation district to include lands that received irrigation water service from those districts prior to October 1, 1988. However, those boundary adjustments have yet to occur.

The construction authorized under the 1988 Act was intended to fulfill partially the fishing rights reserved to the Confederated Tribes of the Umatilla Indian Reservation in the 1855 Treaty with the United States. The program basically enables the Project to divert Columbia River water for use by the irrigators, thereby allowing more water to remain in the Umatilla River for fisheries purposes. The program's first phase, the West Extension Irrigation District water exchange facilities, was completed in November 1992 and is now in service. The remainder of Phase II of the program is scheduled for completion in fiscal year 1998.

"Water spreading" has been a major issue associated with this Project. The Bureau of Reclamation defines "water spreading" as the unauthorized use of water from Reclamation facilities. Since the late 1980s, the Bureau of Reclamation has claimed there were "significant unauthorized project water deliveries outside district boundaries" in the Umatilla Project. The practice has been criticized by the Confederated Tribes of the Umatilla Indian Reservation and by environmental organizations. Project water users, however, note that changes in the districts' application of water over the years were made with the Bureau's knowledge, and Reclamation officials have conceded that this was the case in testimony before the Subcommittee on Water and Power Resources. In many cases, water was moved from less productive to more productive lands.

In October 1993, the four irrigation districts submitted their boundary change requests for inclusion of 17,500 acres to the Bureau of Reclamation. The Bureau of Reclamation and the Confederated Tribes held the first National Environmental Policy Act scoping meeting in November 1993.

Stanfield, Hermiston, and Westland Irrigation Districts reached agreement with Reclamation on temporary 1995 water delivery contracts, which were renewed for 1996, in which they fund their portion of a model study to assess impacts, supply certain instream flows, and pay in dollars or water for the right to use Project water in return for receiving permission to deliver water to "unauthorized lands." Westland's temporary contract was also conditioned upon resolving repayment of 1993 and 1994 deliveries to the District's out of boundary lands.

This bill, while not agreed to by all of the interested parties in the Basin, has been significantly expanded in an effort to address several of the ongoing concerns raised by these parties. H.R. 2392 authorizes the feasibility study for and construction of Phase III of the Umatilla Basin Project, effective upon the boundary adjustments for the irrigation districts. Phase III will enable additional exchanges of Columbia River water that will result in approximately an additional 180–200 cubic feet per second in water flows for fishery restoration efforts in the Umatilla River. The bill also states that the boundaries of the irrigation districts are to be adjusted, effective upon completion of environmental reviews and approval by the Secretary of the Interior. Even after the boundary adjustments, the bill stipulates that the irrigation districts will provide water for environmental enhancement for a specified period of time that coincides with the planned schedule for construction of Phase III facilities. The bill further directs the Secretary, in cooperation with the Tribes, to initiate discussions with the State of Oregon regarding the Tribes' water claims and other water needs in the Umatilla River Basin. The bill as reported also authorized the construction of an off-stream storage reservoir designed to meet the needs of the Tribes' on-reservation domestic water supply needs and the needs of the City of Pendleton, Oregon.

COMMITTEE ACTION

H.R. 2392 was introduced on September 21, 1995, by Congressman Wes Cooley (R-OR). The bill was referred to the Committee on Resources, and within the Committee to the Subcommittee on Water and Power Resources. On April 18, 1996, the Subcommittee held a hearing on H.R. 2392, where the witness for the four irrigation districts testified in favor of the bill, while the Administration and the Confederated Tribes of the Umatilla Indian Reservation testified in opposition to the bill. On July 11, 1996, the Subcommittee met to mark up H.R. 2392. Congressman Cooley offered an amendment in the nature of a substitute that expanded the provisions of the bill to include: an increase in the authorization ceiling for the currently authorized Phase I and Phase II portions of the Umatilla enhancement project to \$58 million, from the current ceiling of \$42.2 million; authorization for construction of Phase III of the Umatilla enhancement project following completion of a feasibility study; authorization of \$62 million for Phase III feasibility

studies and construction; authorization of \$500,000 for environmental compliance activities and a feasibility study of at least two alternative means of providing water supplies for on-reservation use on the Umatilla Indian Reservation and for the City of Pendleton, Oregon. The amendment in the nature of a substitute was adopted by voice vote, and the bill as amended was ordered favorably reported to the Full Committee by voice vote.

On September 18, 1996, the Full Resources Committee met to consider H.R. 2392. An amendment in the nature of a substitute was offered by Congressman Cooley that would: define in more detail the conditions of the Phase III authorization and feasibility studies, and the terms of the water exchange agreements; provide for Project pumping for Phase III; adjust the irrigation district boundaries upon completion of environmental reviews and approval by the Secretary of the Interior, and require the environmental reviews be completed within six months of enactment; provide water for environmental enhancement for a specified period following the boundary adjustments; direct the Secretary to initiate discussions with the State of Oregon regarding the Tribes' water claims and other water needs in the Umatilla River Basin; direct the Secretary to develop a water management plan and a water model of the Basin; authorize construction of an off-stream storage reservoir of approximately 10,000 acre-feet capacity; and authorize appropriations. Congressman Peter DeFazio (D-OR) offered a substitute amendment to the Cooley amendment in the nature of a substitute. The DeFazio amendment in the nature of a substitute contained many of the same provisions as the Cooley substitute, but was more prescriptive in the exchange agreement language; put additional conditions on the Project for pumping power; enacted boundary adjustments for Hermiston, Stanfield and West Extension irrigation districts upon enactment, but made boundary adjustments for Westland Irrigation District contingent upon completion of Phase III of the Project; had different terms and conditions for the construction of the joint water supply system authorized in the Act; and added additional language to section 4 providing that fulfillment of obligations to the Tribes is contingent upon an agreement between the United States, the Tribes, and the States on certain issues. The DeFazio amendment failed by voice vote. The Cooley amendment in the nature of a substitute was then adopted by voice vote. The bill as amended was then ordered favorably reported to the House of Representatives by voice vote.

SECTION-BY-SECTION ANALYSIS

Section 1. Short Title

This Act may be cited as the "Umatilla Basin Project Completion Act".

Section 2. Authority to Complete Third Phase of Umatilla Basin Project

Section 2 amends the Umatilla Basin Project Act (Public Law 100-557; 102 Stat. 2793) by adding at the end the following new sections:

Section 215. Umatilla Basin Project Phase III Exchange

Section 215 authorizes the Secretary of the Interior, effective upon the boundary adjustments specified in Section 216, to construct a third and final phase of the Umatilla Basin Project to provide additional flows in the Umatilla River for anadromous fish through a water exchange with the Westland Irrigation District.

Section 215 directs the Secretary of the Interior to complete a feasibility study, prior to construction of the Phase III exchange facilities, identifying alternatives to provide Westland Irrigation District and Umatilla River Basin water users with exchange flows of approximately 220 cubic feet per second to restore the Umatilla River fishery. The feasibility study is to examine engineering, environmental, and economic factors associated with the Project alternatives, and is also to include an analysis of the inclusion of other irrigators in the exchange, consolidation of irrigation delivery facilities, potential for voluntary water transfers, optimization of water delivery scheduling for all four irrigation districts, appropriate backup systems, water conservation opportunities, and other analyses as the Secretary may consider appropriate to improve the exchange project for fishery restoration purposes.

Section 215 states that the Secretary of the Interior shall, prior to completion of Phase III facilities, complete an exchange agreement with the Westland Irrigation District to allow the use of Columbia River water in exchange for an equivalent amount of Umatilla River or McKay Reservoir water. This section also states that additional exchange agreements with other water users may be executed either before or after completion of Phase III. The exchange agreement is to incorporate the technical operational measures recommended in the feasibility study required by this section.

Section 215 states that all exchange system operation and maintenance costs and any increased operation and maintenance costs to the Project caused by the Phase III exchange shall be the responsibility of the federal government and shall be nonreimbursable.

The section further states that the Bonneville Power Administration shall provide for Project power needed to effect the Phase III water exchange for purposes of mitigating anadromous fishery impacts. The cost of power is to be calculated as an offset to the Bonneville Power Administration's annual Treasury payments for operation and maintenance of the Federal Columbia River Power System.

Section 215 requires that Project facilities authorized by new sections 215 through 219 of H.R. 2392 be integrated and coordinated into the existing Umatilla Basin Project.

Section 216. Umatilla Basin Irrigation Districts Boundary Adjustment

Section 216 requires that, effective upon completion of environmental reviews and approval by the Secretary of the Interior, the boundaries of the Umatilla Basin Project irrigation districts are adjusted by operation of laws as follows: the Hermiston, Stanfield, and Westland Irrigation Districts' boundaries are adjusted as identified in their respective 1993 requests to the Bureau of Reclamation, and the West Extension Irrigation District's boundaries are

adjusted to include land identified as irrigable in the June 1993 Bureau of Reclamation Land Classification Report. The Secretary is to complete the environmental reviews no later than six months after the date of enactment of H.R. 2392 and at no cost to the Umatilla Basin Project irrigation districts.

Section 216 defines two options (A and B) under which the Umatilla Basin irrigation districts shall provide water for environmental enhancement to the Secretary of the Interior, and the Secretary shall specify, within nine months of enactment of H.R. 2392, which option is to be utilized. Under Option A, the irrigation districts shall provide storage capacity, or the corresponding percentage of fill, whichever is less, from McKay Reservoir beginning with 6,500 acre-feet in 1997 and declining each year in specified volumes to 3,000 acre-feet in 2002. Under Option B, the irrigation districts shall provide 6,500 acre feet of storage capacity from McKay Reservoir, or the corresponding percentage of fill, whichever is less, beginning in 1997 and ending in 2002, provided that the Secretary grants \$300,000 each calendar year through 2002 to the Westland Irrigation District for water district improvements or other uses deemed appropriate by the District. Under Option B, the District is not required to provide any water for environmental enhancement in any calendar year between 1997 and 2002 that the Secretary fails to grant the \$300,000 by March 1st.

Section 216 also specifies that: no parcel may receive Project water unless it has a valid State water right and is classified as irrigable in the Bureau of Reclamation's Land Classification Report; a legal description of the irrigation district boundaries as adjusted by H.R. 2392 and certain maps be provided as an attachment to the existing contracts of all four irrigation districts; and that no alteration be made in the ability to pay determination for the Umatilla Basin Project irrigation districts as a result of the boundary adjustments made by H.R. 2392.

Section 217. Water Protection and Management

Section 217 directs the Secretary of the Interior, in cooperation with the Confederated Tribes of the Umatilla Indian Reservation, to initiate discussions with the State of Oregon regarding the Tribes' water claims and other needs in the Umatilla River Basin. This section also directs the Secretary to undertake specific actions to facilitate these discussions, including the development of a water management plan and an integrated ground water/surface water model for the Umatilla River Basin. The Secretary is directed to report to Congress within two years of enactment of H.R. 2392 on the progress of: the facilities authorized by H.R. 2392; the water management plan; the ground water/surface water model; and the status of the discussions of tribal water claims.

Section 218. Joint Water Supply System

Section 218 authorizes the Secretary of the Interior, subject to specified conditions and cost-sharing, to contract with the Tribes for the construction of a portion of an off-stream storage reservoir and associated works, not to include water treatment facilities, to be located on or adjacent to the Tribes' reservation in Oregon.

Section 219. Authorization of Appropriations

Section 219 authorizes appropriations, subject to specified conditions, not to exceed: \$64,000,000 for feasibility studies, environmental studies, and construction of the Phase III exchange facilities; \$500,000 for tribal water claims discussions, a water management plan, and an integrated ground water/surface water model; \$400,000 annually for enforcement and protection of Phases I, II, and III exchange water for instream uses; and \$6,500,000 for feasibility studies, environmental studies, and construction of the Tribes' portion of an off-stream storage reservoir and associated works. The authorizations of appropriations may be adjusted to reflect ordinary fluctuations of applicable cost indexes and are without fiscal year limitation.

Section 3. Water Rights

Section 3 states that, in relation to the Umatilla Basin Project, nothing in this Act shall: impair the validity of or preempt any provision of State law with respect to water or water rights, or of any interstate compact governing water or water rights; create a right to the diversion or use of water other than as established pursuant to the requirements of State law and as recognized under State law; impair any valid water right; or be construed to create an express or implied Federal reserved water right for any purpose.

Section 4. Sense of the Congress

Section 4 states it is the sense and expectation of Congress that construction and operation of Phase III, the perpetual operation of the integrated Umatilla Basin Project, and the construction and operation of the Joint Water Supply System authorized by this Act will fulfill obligations of the federal government to provide the Confederated Tribes of the Umatilla Indian Reservation with water for fishery purposes in the Umatilla River below the mouth of McKay Creek, as recognized by their 1855 treaty with the United States.

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

With respect to the requirements of clause 2(l)(3) of rule XI of the Rules of the House of Representatives, and clause 2(b)(1) of rule X of the Rules of the House of Representatives, the Committee on Resources' oversight findings and recommendations are reflected in the body of this report.

INFLATIONARY IMPACT STATEMENT

Pursuant to clause 2(l)(4) of rule XI of the Rules of the House of Representatives, the Committee estimates that the enactment of H.R. 2392 will have no significant inflationary impact on prices and costs in the operation of the national economy.

COST OF THE LEGISLATION

Clause 7(a) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs which would be incurred in carrying out H.R. 2392. However, clause 7(d) of that Rule provides that this requirement does

not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 403 of the Congressional Budget Act of 1974.

COMPLIANCE WITH HOUSE RULE XI

1. With respect to the requirement of clause 2(1)(3)(B) of rule XI of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974, H.R. 2392 does not contain any new budget authority, credit authority, or an increase or decrease in tax expenditures.

2. With respect to the requirement of clause 2(1)(3)(D) of rule XI of the Rules of the House of Representatives, the Committee has received no report of oversight findings and recommendations from the Committee on Government Reform and Oversight on the subject of H.R. 2392.

3. With respect to the requirement of clause 2(1)(3)(C) of rule XI of the Rules of the House of Representatives and section 403 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for H.R. 2392 from the Director of the Congressional Budget Office.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, September 27, 1996.

Hon. DON YOUNG,
*Chairman, Committee on Resources,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 2392, the Umatilla Basin Project Completion Act.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

JUNE E. O'NEILL, *Director.*

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: H.R. 2392.
2. Bill title: Umatilla Basin Project Completion Act.
3. Bill status: As ordered reported by the House Committee on resources on September 18, 1996.
4. Bill purpose: H.R. 2392 would adjust the boundaries of four irrigation districts in the Umatilla Basin and require the districts to provide water annually for environmental purposes. The bill also would authorize the Secretary of the Interior to construct and to operate and maintain the third and final phase of the Umatilla Basin Project. The project would allow for water exchanges between the Columbia River and the Umatilla River for the purpose of restoring the Umatilla River Basin fishery. Other provisions of the bill would: Require the Administrator of the Bonneville Power Administration to provide the power needed to affect water exchanges between the Columbia and Umatilla Rivers; and authorize

funds for developing a water management plan for the Umatilla River Basin, for monitoring water use in the basin, and for contracting with the Confederated Tribes of the Umatilla Indian Reservation to construct a water storage reservoir.

5. Estimated cost to the Federal Government: Assuming appropriation of the necessary amounts, CBO estimates that enacting H.R. 2392 would result in new discretionary spending of \$56 million over the 1997–2002 period, about \$10 million in each of fiscal years 2003 and 2004 and roughly \$1 million a year after 2004. The bill also would result in direct spending of about \$1 million a year beginning in 2005.

[By fiscal year, in millions of dollars]

	1997	1998	1999	2000	2001	2002
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level	7	(¹)	68	(¹)	(¹)	(¹)
Estimated Outlays	3	3	12	10	14	14

¹ Less than \$300,000.

The costs of this bill fall within budget function 300.

6. Basis of estimate:

Spending Subject to Appropriation—Assuming appropriation of the authorized amounts, CBO estimates that it would cost \$75 million over the 1997–2004 period to construct the third and final phase of the Umatilla Basin Project, construct a water storage facility, and to develop a water management plan. Additional discretionary spending of about \$400,000 a year would be required beginning in 1998 to monitor and enforce water uses in the basin. As shown in the above table, we estimate that \$56 million of that spending would occur over the 1997–2002 period. Monitoring and enforcement costs would increase to about \$1 million a year beginning in 2005, including the cost of operating and maintaining the third phase of the Umatilla Basin Project.

Based on information from the Bureau of Reclamation, CBO assumes that construction of the third phase of the Umatilla Project would begin in 1999 and completed in 2004. Amounts required to operate and maintain the Umatilla Basin Project are estimated based on information provided by the bureau.

CBO estimates that requiring irrigation districts in the basin to provide water for environmental purposes would have no federal cost. Under the bill, the Bureau of Reclamation could elect one of two options for allocating water. Under the first option, the districts would provide declining annual amounts of storage capacity in the McKay Reservoir for environmental purposes. Under the second option, the districts would provide a constant amount of storage capacity in the McKay Reservoir in exchange for a \$300,000 annual payment from the bureau. Based on information from the bureau, CBO expects that the first option would be adopted.

Direct Spending—Enacting H.R. 2392 also would result in new direct spending of about \$1 million a year beginning in 2005 by reducing payments to the Treasury from the sale of power. Under the bill, the BPA Administrator would be directed to provide power needed to affect water exchanges between the Columbia and Umatilla Rivers after the Umatilla Project is completed. Annual

payments from BPA to the Treasury from the sale of power would be reduced to reflect the cost of providing power for this purpose.

7. Pay-as-you-go considerations: Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 sets up pay-as-you-go procedures for legislation affecting direct spending or receipts through 1998. CBO estimates that enacting would affect direct spending by reducing the amount of offsetting receipts paid into the Treasury for the sale of power. However, such effects would not occur until 2005.

8. Estimated impact on State, local, and tribal Governments: H.R. 2392 contains no intergovernmental mandate as defined in the Unfunded Mandates Reform Act of 1995 (Public Law 104-4), and would impose no significant costs on state, local, or tribal governments. The bill would authorize the Secretary of Interior to construct facilities to provide the Westland Irrigation District (and possibly others) with water from the Columbia River. In exchange, the district would give up water it currently receives from the Umatilla River or the McKay Reservoir. The water the district would have received from the Umatilla River would be left in the river to restore its fishery resources, which are used by the Confederated Tribes of the Umatilla Indian Reservation.

The bill would also authorize the Secretary of the Interior to provide up to \$6.5 million to the Tribes for planning and constructing an off-stream storage reservoir, as long as the city of Pendleton, Oregon provides up to \$16 million in additional funding. Pendleton would exchange current rights to water from the Umatilla River and its tributaries for water from the reservoir, which would be filled during periods of high flow on the river. Pendleton and the Tribes would share any cost overruns during construction of the reservoir on a 70 percent/30 percent basis, unless they agreed to another ratio. They would divide all operation and maintenance costs for the reservoir on a pro rata basis.

Finally, the bill would expand the boundaries of four irrigation districts in the Umatilla Basin. After the boundaries are adjusted, the bill would require the affected districts to provide water to the Secretary of Interior for environmental enhancement purposes. CBO believes that this requirement would be an additional condition of the districts' contracts with the federal government for the delivery of water. This requirement therefore does not meet the definition of an intergovernmental mandate as defined in Public Law 104-4.

9. Estimated impact on the private sector: This bill would impose no new private-sector mandates as defined in Public Law 104-4.

10 Previous CBO estimate: On September 27, 1996, CBO provided an estimate for S. 1986, as reported by the Senate Committee on Energy and Natural Resources on September 16, 1996. The two bills are similar, and the estimates are identical.

11. Estimate prepared by: Federal Cost Estimate: Gary Brown, Impact on State, Local, and Tribal Governments: Pepper Santalucia, Impact on the Private Sector: Patrice Gordon.

12. Estimate approved by: Paul N. Van de Water, Assistant Director for Budget Analysis.

COMPLIANCE WITH PUBLIC LAW 104-4

H.R. 2392 contains no unfunded mandates.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (new matter is printed in italic and existing law in which no change is proposed is shown in roman):

UMATILLA BASIN PROJECT ACT

TITLE II—UMATILLA BASIN PROJECT, OREGON

SEC. 201. SHORT TITLE.

This title may be cited as the “Umatilla Basin Project Act”.

* * * * *

SEC. 215. UMATILLA BASIN PROJECT PHASE III EXCHANGE.

(a) *AUTHORIZATION OF PROJECT CONSTRUCTION.*—(1) *Effective upon the boundary adjustments under section 216(a), the Secretary is authorized to construct a third and final phase of the Umatilla Basin Project to provide additional flows in the Umatilla River for anadromous fish through a water exchange with Westland Irrigation District.*

(2) *Prior to construction, the Secretary shall complete a feasibility study to identify alternatives to provide Westland Irrigation District and other Umatilla River Basin water users with exchange flows of approximately 220 cubic feet per second to restore the Umatilla River fishery, as determined through analysis in a feasibility study under paragraph (3).*

(3)(A) *The feasibility study for the Phase III exchange facilities shall examine engineering, environmental, and economic factors associated with project alternatives, including but not limited to: technical engineering and hydrologic analyses pertinent to the identification and design of alternatives; biological analyses of instream flow levels to optimize anadromous fish restoration; and assessment of the best biological value per unit expenditure among the alternatives.*

(B) *The feasibility study shall also include an analysis of inclusion of other irrigators in the exchange; consolidation of irrigation delivery facilities; potential for voluntary water transfers; optimization of water delivery scheduling for all four irrigation districts; appropriate backup systems; water conservation opportunities; and such other analyses as the Secretary may consider appropriate to improve the exchange project for fishery restoration purposes.*

(4) *Prior to completion of Phase III facilities, the Secretary shall negotiate and execute an exchange agreement with the Westland Irrigation District to allow the use of Columbia River water in exchange for an equivalent amount of Umatilla River or McKay Reservoir water. Additional exchange agreements with other water users may be executed either before or after the completion of Phase III. The exchange agreement shall incorporate water delivery scheduling optimization, conservation, water transfer, and other technical operational measures recommended in the feasibility study.*

(b) *OPERATION AND MAINTENANCE COSTS.*—All exchange system operation and maintenance costs and any increased operation and maintenance costs to the project caused by the Phase III exchange shall be the responsibility of the Federal Government and shall be nonreimbursable.

(c) *POWER FOR PROJECT PUMPING.*—The Administrator of the Bonneville Power Administration (hereinafter in this subsection referred to as the “Administrator”), consistent with provisions of the Columbia River Basin Fish and Wildlife Program established pursuant to the Pacific Northwest Electric Power Planning and Conservation Act (94 Stat. 2697), shall provide for project power needed to effect the Phase III water exchange for purposes of mitigating anadromous fishery impacts. The cost of power shall be calculated as an offset to the Administrator’s annual Treasury payments for operation and maintenance of the Federal Columbia River Power System.

(d) *INTEGRATION AND COORDINATION OF FACILITIES.*—Project facilities authorized by sections 215 through 219 shall be integrated and coordinated into the existing Umatilla Basin Project.

SEC. 216. UMATILLA BASIN IRRIGATION DISTRICTS BOUNDARY ADJUSTMENT.

(a) *IN GENERAL.*—(1) Effective upon completion of environmental reviews and approval by the Secretary, the boundaries of the Umatilla Basin Project irrigation districts are adjusted by operation of law as follows:

(A) Hermiston Irrigation District’s boundaries are adjusted to include the 1,091 acres identified in its 1993 request to the Bureau of Reclamation.

(B) Stanfield Irrigation District’s boundaries are adjusted to include the 3,549 acres identified in its 1993 request to the Bureau of Reclamation.

(C) West Extension Irrigation District’s boundaries are adjusted to include the 2,436.8 acres identified in the June 1993 Bureau of Reclamation Land Classification Report as irrigable.

(D) Westland Irrigation District’s boundaries are adjusted to include the 9,912 acres identified in its 1993 request to the Bureau of Reclamation.

(2) The Secretary shall complete environmental reviews pursuant to this subsection no later than 6 months after the date of enactment of the Umatilla Basin Project Completion Act and at no cost to the Umatilla Basin Project irrigation districts.

(b) *PROVISION OF MCKAY RESERVOIR WATER FOR ENVIRONMENTAL ENHANCEMENT.*—(1) After the boundary adjustments under subsection (a), the Umatilla Basin Project irrigation districts shall provide water for environmental enhancement from McKay Reservoir to the Secretary in accordance with Option A or Option B, as specified by the Secretary.

(2)(A)(i) Under Option A, the irrigation districts shall provide storage capacity from McKay Reservoir for environmental enhancement purposes each year equal the applicable amount stated in clause (ii), or the corresponding percentage of fill as determined by the Bureau of Reclamation, whichever is less.

(ii) The applicable amounts referred to in clause (i) are the following:

- (I) In 1997, 6,500 acre feet.
- (II) In 1998, 5,500 acre feet.
- (III) In 1999, 4,500 acre feet.
- (IV) In 2000, 3,500 acre feet.
- (V) In 2001, 3,000 acre feet.
- (VI) In 2002, 3,000 acre feet.

(B) Under Option B, the irrigation districts shall provide storage capacity from McKay Reservoir for environmental enhancement purposes, equal to 6,500 acre feet of water or the corresponding percentage of fill as determined by the Bureau of Reclamation, whichever is less, in each calendar year beginning in 1997 and ending in the year 2002: Provided, That the Secretary grant \$300,000 by March 1st of each calendar year 1997 through 2002 to the Westland Irrigation District of the Umatilla Project for water district improvements or other uses deemed appropriate by the District: Provided further, if the Secretary fails to grant the \$300,000 by March 1st in any calendar year between 1997 and 2002 for purposes of this subsection the District is not required to provide any water for that calendar year.

(C) Not later than 9 months after the date of enactment of the Umatilla Basin Project Completion Act, the Secretary shall specify Option A or Option B and notify the Umatilla Basin Project irrigation districts of that specification.

(c) **REQUIREMENTS FOR RECEIVING PROJECT WATER.**—Notwithstanding any other provision of this title, no parcel may receive Umatilla Basin Project water unless it has a valid State water right and is classified as irrigable in the Bureau of Reclamation's Land Classification Report.

(d) **PROVISION OF DESCRIPTION OF BOUNDARIES.**—A legal description of the irrigation district boundaries as adjusted under subsection (a), including land classification and project boundary maps, shall be provided as an attachment to all 4 Umatilla Basin Project irrigation districts' existing contracts.

(e) **LIMITATION ON ALTERING ABILITY TO PAY DETERMINATION.**—No alteration in the ability to pay determination for the Umatilla Basin Project irrigation districts may be made as a result of the irrigation district boundary adjustments made by subsection (a).

SEC. 217. WATER PROTECTION AND MANAGEMENT.

The Secretary, in cooperation with the Confederated Tribes of the Umatilla Indian Reservation (hereinafter in this section referred to as the "Tribes"), shall initiate discussions with the State of Oregon (hereinafter in this section referred to as the "State") regarding the Tribes' water claims and other water needs in the Umatilla River Basin. To facilitate these discussions of water claims, the Secretary shall do the following:

- (1) The Secretary, taking into account the facilities and analyses authorized by sections 215 through 219, shall work with the State, the Tribes, irrigation districts, the Bonneville Power Administration, and the affected public to develop a water management plan for the Umatilla River Basin. The plan shall address restoration of the Umatilla River Basin anadromous fishery. The Secretary shall also develop an integrated ground water/surface water model of the Upper Umatilla River Basin.

(2) *Within 2 years after the date of enactment of the Umatilla Basin Project Completion Act, the Secretary shall report to the Committee on Energy and Natural Resources of the Senate and the Committee on Resources of the House of Representatives on the progress of—*

(A) the facilities authorized by sections 215 through 219 of this title;

(B) the water management plan;

(C) the ground water/surface water model; and

(D) the status of discussions of tribal water claims in the Umatilla River Basin.

SEC. 218. JOINT WATER SUPPLY SYSTEM.

Effective upon the boundary adjustments under section 216(a), the Secretary is authorized to contract with the Tribes for the construction of a portion of an off-stream storage reservoir of approximately 10,000 acre-feet capacity, with associated works. Such authorization shall not include water treatment facilities. Such reservoir is to be located on or adjacent to the Tribes' reservation in Oregon: Provided, That:

(1) The Secretary can demonstrate through appropriate feasibility level planning and environmental studies that the facility can be built in a manner which conforms to all applicable Federal, State, and Tribal laws and that the project siting and construction minimizes any adverse effects on the Umatilla River fishery.

(2) Diversions for storage will not reduce Umatilla River flows below the levels necessary to restore and support the Umatilla River anadromous fishery. In diverting water for storage and operation of the reservoir, the Tribes and the city of Pendleton (hereinafter in this section referred to as the "City") may agree to higher levels of protection of instream flows. The reservoir shall be filled only during periods of high flow, and in such a manner as to preserve the ecological value of high flow events in the Umatilla River, as determined by Federal, State, and tribal fishery experts.

(3) The City agrees to provide up to \$16,000,000 (in addition to the \$6,500,000 authorized by section 219(4)) for the tribal share of feasibility level planning and environmental studies and to construct the reservoir and associated works provided for by this title. Any cost overruns beyond the \$22,500,000 estimated for the reservoir and associated works authorized by this section and section 219(4) shall be allocated 70 percent to the City and 30 percent to the Tribes, unless they mutually agree otherwise.

(4) The City, subject to applicable Federal, State, and tribal laws, shall use all of its water rights to the Umatilla River and its tributaries with priority dates after January 1, 1910, including those rights identified in Oregon Regulatory Statute 538.450, for instream flow purposes to improve the Umatilla River anadromous fishery, provided that adequate water from the reservoir project is available for municipal use.

(5) The City and the Tribes will share all operation and maintenance costs on a pro rata basis, determined by the amount of water in the reservoir reserved for each government's

use, unless the City and the Tribes mutually agree to an alternative cost allocation.

(6) Title to the reservoir facility will be held jointly in the name of the City and the United States, in trust for the Tribes. The Secretary may negotiate a contract transferring operation and maintenance responsibility to either the Tribes or the City, pursuant to all applicable State, Federal, and tribal law.

(7) The Secretary may direct that funds authorized under this section be contracted to the Tribes, under the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.).

SEC. 219. AUTHORIZATION OF APPROPRIATIONS.

Effective upon the boundary adjustments under section 216(a), there are authorized to be appropriated to the Secretary, plus or minus such amounts as may be justified by reason of ordinary fluctuations of applicable cost indexes, the following sums, without fiscal year limitation:

(1) Not to exceed \$64,000,000 for feasibility studies, environmental studies, and construction of the Phase III Exchange: Provided, That all costs of Phase III planning and construction, including operation and maintenance costs allocated to the mitigation of anadromous fish species and the study authorized by section 215 of this Act, shall be nonreimbursable: Provided further, That not more than 25 percent of the amount appropriated under this paragraph may be expended for administrative overhead costs.

(2) Not to exceed \$500,000 for tribal water claims discussions, a water management plan, and an integrated ground water/surface water model, as provided for in section 217(a).

(3) Not to exceed \$400,000 annually for enforcement and protection of Phases I, II, and III exchange water for instream uses.

(4) Not to exceed \$6,500,000 for feasibility studies, environmental studies, and construction of the Tribes' portion of an off-stream storage reservoir and associated works, as authorized in section 218 of this title.

DISSENTING VIEWS

The changes made by the Committee to H.R. 2392 are significant, but the legislation fails to address several critical issues and should not be enacted.

H.R. 2392 would in effect legalize the illegal “water spreading” practices endemic to the Umatilla Basin Project by simply adjusting the project irrigation boundaries. The Bureau of Reclamation defines “water spreading” as the unauthorized use of water from Reclamation facilities. Since the late 1980s, the Bureau has noted there were “significant unauthorized project water deliveries outside district boundaries” in the Umatilla Project. The water spreading practices have been criticized by the Confederated Tribes of the Umatilla Indian Reservation and by environmental organizations, and were the subject of detailed hearings held by the Committee on Natural Resources in the 103rd Congress (Serial No. 103–101). Project water users, however, contend that changes over time in the irrigation districts’ application of water were made with the Bureau’s knowledge. In many cases, water was moved from less productive to more productive lands, and the Bureau looked the other way.

The Committee also seems to be looking the other way in its approval of H.R. 2392. In their eagerness to approve irrigation district boundary changes, the supporters of H.R. 2392 have neglected to adequately provide for fishery restoration needs, short-circuited environmental review requirements, and conveyed millions of dollars in unjustifiable subsidies and benefits to local water users.

Under H.R. 2392, Federal taxpayers, not project beneficiaries, will pay for the environmental review of the proposed boundary expansion. The cost of conducting environmental analyses and preparing environmental impact statements is normally assigned to local project sponsors or at least treated as an expense to be shared between local sponsors and the United States.

The time allowed for environmental review would be statutorily limited to 6 months under this bill, an unjustifiable provision that is contrary to the intent of the most basic of our Federal environmental statutes. Ongoing hydrologic modeling studies of the Umatilla Basin may not be completed within six months. Without the results of those studies, no good science will be available to determine the environmental effects of boundary expansions.

H.R. 2392 fails to provide adequate mitigation water for Westland Irrigation District water spreading. Neither of the two options specified in sec. 216(b) guarantees mitigation water until Phase III is completed, which is absolutely necessary. And under Option 2, irrigators would be *granted* \$300,000 each year by the United States to pay them for “environmental enhancement” water needed to mitigate for fishery damages caused by illegal water spreading practices. Water users should not be excused from pro-

viding reasonable water supplies to mitigate damages to fishery resources.

The Phase III water exchanges provisions of the bill may allow new lands to be irrigated because the bill does not prohibit the irrigation district from using the Phase III facilities for “conjunctive use” pumping. This “back door” authorization of new irrigation would undoubtedly result in additional fishery impacts on the Columbia River, where the Bureau of Reclamation is acquiring water upstream for salmon recovery.

Despite the long and public history of illegal water use in the Umatilla Basin Project, H.R. 2392 makes absolutely no attempt to recover the costs of past unauthorized water deliveries. According to the Bureau of Reclamation, the four irrigation districts pay less than \$1 per acre-foot for their water supplies under their original water contracts. The water charges to irrigate lands outside the legal service area would probably be at least 8 times that amount, but H.R. 2392 simply legalizes the boundary changes and lets the water users off the hook.

Supporters of H.R. 2392 have resisted good faith efforts to negotiate a compromise bill among the various interests in the Umatilla Basin. Instead of reflecting a consensus solution, H.R. 2392 simply bestows added taxpayer subsidies on project irrigators who already are among the most heavily subsidized water users in the entire Reclamation program.

Sincerely yours,

GEORGE MILLER.
SAM GEJDENSON.
PETER A. DEFazio.